

**Effects of outsourcing strategies on organizational performance**

**Kabagambe Matthew**

**J21B12/301**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE BACHELOR  
DEGREE OF PROCUREMENT AND LOGISTICS MANAGEMENT OF UGANDA  
CHRISTIAN UNIVERSITY**

**September, 2023**

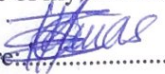


**UGANDA CHRISTIAN  
UNIVERSITY**

*A Centre of Excellence in the Heart of Africa*

**DECLARATION**

KABAGAMBE MATTHEW, REG No: J21B12/301 do hereby declare that this research report has never been published by any other person and so is purely done by myself with a close guidance of my academic supervisor.

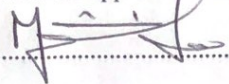
Signature: .....

**Name: KABAGAMBE MATTHEW**

Date: .....

**APPROVAL**

This research report has been submitted by KABAGAMBE MATTHEW, REG No: J21B12/301 with the approval of my academic supervisor.

Signature: 

Name: **MARTIN KABANDA**

Date: 19<sup>th</sup>/09/2023

## Contents

<b>DECLARATION.....</b>	<b>v</b>
<b>APPROVAL. ....</b>	<b>7</b>
<b>ACKNOWLEDGMENT .....</b>	<b>8</b>
<b>DEDICATION.....</b>	<b>9</b>
<b>CHAPTER ONE INTRODUCTION .....</b>	<b>11</b>
<b>1.2 Background to the study.....</b>	<b>11</b>
<b>1.3 Statement of the problem .....</b>	<b>13</b>
<b>1.4 General objective.....</b>	<b>14</b>
<b>1.5 Specific objective .....</b>	<b>15</b>
<b>1.6 Research questions .....</b>	<b>15</b>
<b>1.6 Scope of the study .....</b>	<b>15</b>
<b>1.6.2 Geographical scope.....</b>	<b>16</b>
<b>1.7 Significance of the study .....</b>	<b>16</b>
<b>CHAPTER TWO .....</b>	<b>18</b>
<b>LITERATURE REVIEW .....</b>	<b>18</b>
<b>2.0 Introduction.....</b>	<b>18</b>
<b>2.1 The outsourcing strategies implemented in organizations.....</b>	<b>18</b>
<b>2.2 Effects of outsourcing on organizational performance metrics such as cost efficiency, profitability and productivity at Uganda Revenue Authority .....</b>	<b>22</b>
<b>3.1 Relationship between outsourcing strategies and organizational performance</b>	<b>24</b>
<b>CHAPTER THREE .....</b>	<b>27</b>
<b>METHODOLOGY .....</b>	<b>27</b>
<b>3.0 Introduction .....</b>	<b>27</b>

3.1	Research design .....	27
3.2	Study Population and Sample .....	27
3.3	Sample Size .....	28
	Table 1: Sample size.....	28
3.4	Sample Design and Procedure.....	28
3.5	Data Source and Type.....	28
3.6	Data collection methods .....	29
3.6.1	Questionnaire.....	29
3.6.2	Document Analysis .....	30
3.7	The procedure of data collection.....	30
3.8	Data Processing, Analysis and Presentation .....	30
3.8.1	Quantitative Analysis.....	31
3.9	Limitations to the Study .....	32
	<b>CHAPTER FOUR.....</b>	<b>33</b>
	<b>PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS .....</b>	<b>33</b>
4.0	Introduction .....	33
	<b>This chapter presents, analyzes, and interprets the results. It is divided into four sections. The first section presents, analyzes, and interprets the results of the background information. The second section presents, analyzes, and interprets the results of the effect of outsourcing on cost efficiency. The third section presents, analyzes, and interprets the results of the effect of outsourcing on productivity. The fourth section presents, analyzes, and interprets the results of the effect of outsourcing on profitability .....</b>	<b>33</b>
4.1	Background Information .....	33
	Gender of Respondents.....	33
	Source: Field.....	33

<b>Age Range of Respondents .....</b>	<b>34</b>
<b>Source: Field .....</b>	<b>34</b>
<b>Level of Education of Respondents .....</b>	<b>35</b>
<b>Source: Field .....</b>	<b>35</b>
<b>Tenure with the Organization.....</b>	<b>35</b>
<b>Figure 4: Tenure with Uganda Revenue Authority .....</b>	<b>35</b>
<b>4.2 Effect of Outsourcing on Cost Efficiency .....</b>	<b>36</b>
<b>Table 2: Findings about the effect of outsourcing on cost efficiency .....</b>	<b>37</b>
<b>4.3 Effect of Outsourcing on Productivity.....</b>	<b>39</b>
<b>Table 3: Findings about the effect of outsourcing on productivity.....</b>	<b>39</b>
<b>4.4 Effect of Outsourcing on Profitability .....</b>	<b>41</b>
<b>Table 4: Findings about the effect of outsourcing on profitability.....</b>	<b>41</b>
<b>CHAPTER FIVE.....</b>	<b>43</b>
<b>FINDINGS, CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>43</b>
<b>5.0 Introduction .....</b>	<b>43</b>
<b>5.1 Findings .....</b>	<b>43</b>
<b>5.1.1 Effect of Outsourcing on Cost Efficiency .....</b>	<b>43</b>
<b>5.1.2 Effect of Outsourcing on Productivity .....</b>	<b>44</b>
<b>5.1.3 Effect of Outsourcing on Profitability .....</b>	<b>45</b>
<b>5.2 Conclusions .....</b>	<b>46</b>
<b>5.3 Recommendations .....</b>	<b>46</b>
<b>5.4 Areas for further research.....</b>	<b>47</b>
<b>REFERENCES.....</b>	<b>48</b>

### **ACKNOWLEDGMENT**

I would like to extend my heartfelt gratitude to several individuals and institutions who have played an instrumental role in the successful completion of this dissertation.

First and foremost, I am deeply thankful to my supervisor, Mr. Martin KABANDA, for his unwavering guidance, insightful feedback, and constant support throughout the research process. His expertise and dedication have been invaluable in shaping the direction and quality of this study.

I also wish to express my appreciation to the School of Business at Uganda Christian University for providing me with the opportunity to undertake this research. The academic environment, resources, and encouragement provided by the institution have been pivotal in my academic journey.

Lastly, I extend my thanks to all those who participated in this research, offering their time and insights. Your contributions have enriched the depth and relevance of this study.

**GOD BLESS YOU ALL UNCONDITIONALLY**

## **DEDICATION**

To my beloved parents, whose unwavering love, sacrifices, and encouragement have been the foundation of my journey. Your support has been my guiding light, and this work is a tribute to your boundless belief in me.

To my cherished family, your constant understanding, patience, and motivation have been my pillars of strength. Your presence has given me the courage to strive for excellence.

To my dearest friends, who have stood by me through every challenge, your unwavering support and uplifting words have been a constant source of inspiration. Your belief in my abilities has fueled my determination.

This dissertation is dedicated to all of you who have been part of this journey. Your love, encouragement, and unwavering belief in me have shaped not only this work but also my growth as an individual. May this dedication reflect a fraction of the gratitude and admiration I hold for each of you.

With heartfelt appreciation,

**KABAGAMBE MATTHEW**

## **ABSTRACT**

Several organizations have embarked on outsourcing strategies over the years but many still suffer in terms of their goal achievement; some have experienced low productivity both in terms of quality and quantity, their profitability has not been stable, and their capacities are grossly underutilized. This research work determined the effect of outsourcing strategies (back office activities, primary activities, accounting activities and supporting activities) on organizational performance. A well-designed, self-administered questionnaire was utilized to collect primary source data, and respondents were chosen using a stratified random sample procedure. Since cost savings and restructuring lead to improved customer service at a profit, this study advised organizations to increase their use of outsourcing strategies. It also advised outsourcing process management through follow-up measures like effective communication and monitoring should be used and taken seriously to better enjoy the benefits of this maintenance/growth strategy.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Introduction**

This study was about outsourcing strategies, as the independent variable and its effects on outsourced services and organizational performance in Uganda, as the dependent variables. This chapter presents the background to the study, statement of the problem, general objective of the study, specific objectives, research questions (hypotheses), scope of the study and significance of the study.

#### **1.2 Background to the study**

Outsourcing is the procurement of products or services from sources that are external to the organization (Rundquist, 2006). Outsourcing is a phenomena in which a company delegates part of its in-house operations to a third party with the third party gaining full control over that operation/process (Ono & Stango,2005). Outsourcing is one management tool that has gained relevance among managers' in addressing today's business dynamics; It entails contracting out of a business function (Jae, et al. 2000; Dominguez, 2006; Isaksson and Lantz, 2015). It is the replacing of in-house provided activities by subcontracting it out to external agents. In order to achieve its set goals in the presence of technological advancement, sophistication of business processes, knowledge expansion and need for constant growth, an organization looks out for strategies to enhance performance (Dominguez, 2006). The reasons for outsourcing over the years are seen as to pave way for an organization's concentration on their core competencies thereby experiencing effectiveness and efficiency through cost savings, reduced capital investment within the firm, improved responsiveness to changes in the business environment, increased competition among suppliers ensuring higher quality goods and services in the future, reduced risk of changing technology, among others (Jae, et al. 2000; Dominguez, 2006; Sev, 2009; Isaksson and Lantz,

2015).

Based on research findings over the years also, researchers have theorized reasons and areas of outsourcing and its strategies. For instance, C.K. Prahalad and Gary Hamel advocated the theory of core competencies which insists on outsourcing of non-core areas as a best practice in utilizing of resources (Prahalad and Hamel, 1990; Jae, et al.2000; Dominguez, 2006); yet, organizations are seen outsourcing even their primary operations which is seen as their area of competence. Prior research suggests that the decision to outsource organizational activities is a strategic decision that affects current and future performance (Argyres & Zenger, 2012). On the one hand, outsourcing enables the organization to adapt more readily to changing market environments, focus on core competencies, and take advantage of the knowledge, expertise, and efficiencies of third-party suppliers (D' Aveni & Ilinitch, 1992; Harrigan, 1983; Helper & Sako, 1995; Leiblein et al., 2002).

Firms' decision on outsourcing is usually analyzed as a "make or buy" dilemma. On one hand, market imperfections, such as measurement problems, difficulties to control the collaboration between the customers and the provider, reduction in control over how certain services are delivered and increased complexity in arms-length contracts may in turn raise the company's liability exposure. The "make" option is favored, in the case of services that hinder the comparability of output and prices and reduces market transparency. Further, asymmetric information generates adverse selection and moral hazard problems, emphasizing the role played by reputation (De Bandt, 1996). On the other hand, there are other arguments that favour the "buy" option. Among them are cost cut, increased capacity, improve quality, increase profitability and productivity, improve financial performance, lower innovation costs and risks, and improved organizational competitiveness, are very commonly considered as the main reasons to justify outsourcing strategies.

Organizational performance can be subjective depending on the organization, its goals and the market. It refers to the ability of an organization to reach its goals and optimize results. In todays workforce organizational performance can be defined as the company's ability to achieve goals in a state of constant change(Madeline Miles).

The concept of organizational performance is the comparison of an organizations goals and objectives with its actual performance in three distinct areas: financial performance, market performance and shareholder value (Salfer, 2007). Organizational performance is connected to the ideas of effectiveness and efficiency. A business organization must produce the right things and it must produce them using the fewest possible inputs if it is to have a strong organizational performance. According to (2009), organizational performance encompasses three specific areas of firm outcomes: financial performance (profits, return on assets, return on investment etc); product market performance (sales, market share etc) and shareholder return (total shareholder return, economic value added etc). Organizational performance can be indicated by labour turnover, regularity, punctuality, service delivery (value for money) and physical facilities.

According to Bargain (2016), organizational performance means the level of output and services given to the beneficiaries. Clear performance expectations are a critical factor in teamwork success (Adams, 2015). Use clear performance expectations to help your employees develop accountable, productive, meaningful, participatory teamwork. Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives) (Houran, 2009). Specialists in many fields are concerned with organizational performance including strategic planners, operators, finance, legal and organizational development.

### **1.3 Statement of the problem**

Firms' decision on outsourcing is usually analyzed as a "make or buy" dilemma. On one hand, market imperfections, such as measurement problems, difficulties to control the collaboration between the customers and the provider, reduction in control over how certain services are delivered and increased complexity in arms-length contracts may in turn raise the company's liability exposure. The "make" option is favored, in the case of services that hinder the comparability of output and prices and reduces market transparency. Further, asymmetric information generates adverse selection and moral hazard

problems, emphasizing the role played by reputation (De Bandt, 1996). On the other hand, there are other arguments that favor the “buy” option. Among them are cost cut, increased capacity, improve quality, increase profitability and productivity, improve financial performance, lower innovation costs, risks, and improved organizational competitiveness, are very commonly considered as the main reasons to justify outsourcing strategies. In this view make researcher to wants to investigate the effects of outsourcing strategies on organization performance

#### **1.4 General objective**

To assess the impact of outsourcing strategies on organizational performance.

## **1.5 Specific objective**

- i. To identify the specific outsourcing strategies adopted by organizations and their impact on various dimensions of organizational performance.
- ii. To investigate the impact of outsourcing on organizational performance metrics, such as cost efficiency, productivity and profitability.
- iii. To assess the relationship associated with outsourcing strategies and their implications for organizational performance.

## **1.6 Research questions**

The research questions were

- i. What are the specific outsourcing strategies adopted and their impact on various dimensions of organizational performance in Uganda Revenue Authority?
- ii. What are the effects of outsourcing on organizational performance metrics such as cost efficiency, productivity and profitability in Uganda Revenue Authority?
- iii. What is the relationship associated with outsourcing strategies and their implications for organizational performance in Uganda Revenue Authority?

### **1.6 Scope of the study**

#### **1.6.1 Subject scope**

The content scope comprised outsourcing strategies, as the independent variable and

organizational performance as the dependent variable.

### **1.6.2 Geographical scope**

Geographically, the study was carried out in Kampala where the headquarters of Uganda Revenue Authority are located. URA's headquarters is located in a 22-storey skyscraper, known as Uganda Revenue Authority House (URA Tower), located at Plot M 193/4 Kinnawataka Road, Nakawa Industrial Area, in the Nakawa Division of the city of Kampala, Uganda's capital and largest city. This is about 6.5 kilometers' by road, east of the city center.

### **1.6.3 Time scope.**

The study will cover a period of five months from April to August. The study will be conducted from March 2023 to 30th August 2023 and will cover information about the outsourcing strategies that were implemented in Uganda Revenue Authority for the period of three years (January 2020-December 2022).

## **1.7 Significance of the study**

- i. The study findings will help to inform the different organizations on different ways of how outsourcing can be made relevant to organizational performance.
- ii. The study findings will also help policymakers such as members of parliament and Uganda Revenue Authority management by availing them with information that they may use to make decisions that are more informed, as far as outsourcing

is concerned.

- iii. Finally, the findings will be of great use to the academia, especially those who may wish to carry out further research on outsourcing and performance. It may build on the existing body of literature and knowledge.

## **CHAPTER TWO LITERATURE REVIEW**

### **2.0 Introduction**

This chapter presents the literature review. It is divided into three sections according to the objectives of the study. The first section reviews literature about the outsourcing strategies implemented in organizations while the second section reviews literature about the effects of outsourcing strategies on organizational performance. The third section reviews the literature on the relationship between outsourcing strategies and organizational performance.

### **2.1 The outsourcing strategies implemented in organizations**

Outsourcing strategies have been classified by different scholars in different ways. Some of the classifications are here reviewed and a choice is made at the end.

#### **2.1.1 Classifications according to Jennings (1997)**

According to Jennings (1997), as reported by Sev (2009), outsourcing strategies can be categorized into the principal type and the common type. The principal type entails traditional outsourcing: Here the routine jobs or tasks that the staff of the organization does not perform are identified and the service providers aired for the job. Without hiring the service provider the organization can directly hire an imminent company that can execute their business which was not done in the organization internally (Sev, 2009). This classification, however, is not quite explicit to be used in defining outsourcing strategies.

#### **2.1.2 Classifications according to Howard(2010)**

According to Harward (2010), there are four (4) outsourcing strategies at an organization's disposal. These four types of outsourcing strategies or what some call engagement models for sourcing are largely grouped into two. The first two are considered business process outsourcing (BPO) engagements, and the other two are considered out-tasking models. The BPO models are comprehensive and selective. These four types of outsourcing strategies are briefly differentiated

below:

Comprehensive BPO – This is the most complex, strategic, long-term, and demanding relationship you can have with a supplier. A comprehensive outsourcing deal means that you are engaging with a partner for a multi-year period to strategically manage a comprehensive set of processes across all four functional process areas of your organization (Harward 2010). Both parties are willing to commit dedicated resources to the deal which means you are both committing people and finance over an extended period. The idea that you give away all responsibility to the supplier is a myth and never happens in real life.

Selective BPO – This is also a very complex engagement, but somewhat less than a comprehensive deal because of the reduced integration of functional processes. In selective outsourcing, you engage a partner to manage multiple processes within one functional area (administration, content, delivery, or technology) but not process across functional areas (Harward 2010). Contracts for selective BPO deals are similar to those of comprehensive BPO but they are somewhat less complicated because there are fewer processes involved.

Licensing Agreement – These engagements are forms of out-tasking and are used when sourcing a tangible asset, such as a technology or real estate. Licensing agreements for technology usually take the form of software as a service (SaaS) contracts (Harward 2010). Contracts for license agreements are generally purchase orders with defined terms and a unit price in the form of price per time.

Contracting – the second form of out-tasking engagements and the most common form of outsourcing in the small business industry is contracting. Some refer to it as a ‘labor for hire’ engagement (Harward 2010). It’s where we pay a contractor by the hour/day/week/month to perform a task. Contracting is commonly used when we source a supplier to manage a project, and we compensate them when the project is completed.

This classification according to Harward (2010) is also seen as not being explicit

enough. The two groups of strategies (Business Process outsourcing strategies and out-tasking strategies) are so interrelated that the last two (contracting and licensing) are seen as a sub of the first two (Comprehensive and selective). Also, while the first two measure the extent of outsourcing, the last two measure the area of outsourcing.

### **2.1.3 Classification according to Gilley and Rasheed (2000)**

According to Gilley and Rasheed (2000), outsourcing strategies can be grouped into four strategies for housing-related activities commonly outsourced. These four strategies are:

**Outsourcing of back office activities.** Back office activities are the non-core activities that an organization needs to pave the way for the day-to-day running of their office/business. As the name suggests, back-office refers to the functions that are required to be carried out efficiently to ensure the success of the business, but these services do not fall into the core operations functioning of the firm (Isaksson and Lantz, 2015). Some of these activities as noted by Gilley and Rasheed (2000) are bookkeeping, payroll, billing, order processing, and payment processing. Others are cleaning services, security services, and other administrative activities which are needed by organizations to better serve their customers (Dominguez, 2006). These back-office activities when outsourced rightly improve an organization's performance (Steensma and Corley, 2000). It is a means of reducing costs, increasing quality, and enhancing a firm's overall competitive position (Frayser, Scannell, and Thomas 2000). This improves one's competitive edge.

**Outsourcing of primary activities.** Many organizations today outsource even their primary activities. For instance, the footwear manufacturer Nike has long been renowned for the fact that it does not own any manufacturing facilities but subcontracts out the manufacture of its products to independent suppliers. It is argued that certain firms choose to outsource primary activities within their production chains to independent suppliers, not because of relative capability considerations, but because they can leverage their resources to appropriate the rents from the chain whilst

reducing their asset base. The activities that are directly related to the primary operations are manufacturing, purchases, warehousing, Salesforce, and customer service (Isaksson and Lantz 2015).

**Outsourcing of accounting activities.** Finance and Accounting Outsourcing (FAO) has undergone a major transformation over the years (Hayward, 2002). The market for FAO has matured in terms of the type of work undertaken from routine, transactional work to delivering customized, complex, and higher-value services (such as forecasting planning and treasury) (Hayward, 2002). According to Kumaran (2013), Organizations, these days, not only look for cost-effective solutions to systematically run non-core activities like accounting and payroll services but also expect to add value to achieve better control and understanding of cash flow and thereby make informed decisions. Isaksson and Lantz (2015) assert that the activities that are typically performed by outside accountants that can be grouped under accounting activities include those of financial reporting and tax processing.

**Outsourcing of support activities.** Just like in the case of back-office activities, support activities help in the efficient running of a business (Isaksson and Lantz, 2015). These activities support the core activities of an organization (Sev, 2009). Support services as noted by Isaksson and Lantz (2015) include activities such as; shipping, IT services/systems, training, advertising, legal services, transport services, and public relations.

This classification of outsourcing activities by Gilley and Rasheed (2000) is therefore adopted for this research. The choice of this classification is due to its explicit nature.

## **2.2 Effects of outsourcing on organizational performance metrics such as cost efficiency, profitability and productivity at Uganda Revenue Authority**

### **2.2.1 Effects of outsourcing on cost efficiency**

According to a study by Zhu et al. in the journal PLOS One titled "The Economic Efficiency of Outsourcing Business Models: A Comparative Assessment" (2022), outsourcing can result in cost savings, but the amount of the savings depends on a variety of variables including the type of activity being outsourced, the location of the outsourcing provider, and the degree of integration between the company and the outsourcing provider.

According to Magelssen's 2015 article "Learning From Outsourcing: The Effects Of Outsourcing Strategy On Organizational Efficiency" in the journal Strategy and Enterprise, outsourcing can increase productivity by lowering upfront investment costs, dispersing risks, and improving organizational flexibility.

The 2018 study "Effect of outsourcing on organizational performance in Rwanda" by Nshuti et al. published in the journal DiVA portal discovered that outsourcing can increase cost effectiveness, productivity, and profitability. However, the benefits of outsourcing are not always realized and may depend on a number of factors, such as the caliber of the outsourcing provider and the degree of management oversight.

In their paper "The effects of production outsourcing on factory cost performance: An empirical study" published in the Journal of Operations Management in 2008, Brewer et al. discovered that while outsourcing can reduce labor costs, it can also raise material prices. Several factors, like the kind of items being produced, can affect how outsourcing affects factory cost performance overall.

Overall, the research on the effect of outsourcing on cost efficiency is mixed. Some studies have found that outsourcing can lead to significant cost savings, while others have found that the benefits of outsourcing are not always realized. The actual impact of outsourcing on cost efficiency depends on a number of factors, such as the type of activity being outsourced, the location of the outsourcing provider, and the level of integration between the company and the outsourcing provider.

### **2.2.2 Effects of outsourcing on productivity**

According to Chuang et al.'s 2019 article "The Impact of Outsourcing on Productivity: A Review of the Literature" in the journal *International Journal of Production Economics*, outsourcing can have a positive or negative impact on productivity, depending on a number of variables, including the type of activity being outsourced, the location of the outsourcing provider, and the degree of management oversight.

According to Sousa and colleagues' 2017 study "Outsourcing and Productivity: A Meta-analysis" published in the journal *Journal of Business Research*, outsourcing can increase productivity by up to 10%, however the advantages are not always felt.

According to Li and colleagues' 2016 study "The Impact of Outsourcing on Firm Performance: A Literature Review" published in the journal *International Journal of Management Reviews*, outsourcing can have a positive or negative impact on a company's performance depending on a variety of variables, including the kind of activity being outsourced, the outsourcing provider's location, and the degree of integration between the company and the outsourcing provider.

The results of research on the impact of outsourcing on productivity are often conflicting. While some studies have indicated that outsourcing can result in sizable productivity increases, others have discovered that these gains are not always realized. The real effect of outsourcing on productivity is influenced by a variety of factors, including the nature of the task being outsourced, the location of the outsourcing provider, and the level of integration between the company and the outsourcing provider.

### **2.2.3 Effects of outsourcing on profitability**

According to Sousa et al.'s "The Effect of Outsourcing on Profitability: A Meta-Analysis" (2018) published in the journal *Journal of Business Research*, outsourcing can result in profitability increases of up to 5%, however the advantages are not always realized.

According to "The Impact of Outsourcing on Firm Performance: A Literature Review" (2016) published in the *International Journal of Management Reviews*, outsourcing can have a positive or negative impact

on a company's profitability depending on a variety of factors, including the kind of activity being outsourced, the outsourcing provider's location, and the degree of integration between the company and the outsourcing provider.

According to Sharma and colleagues' (2015) study "Outsourcing and Profitability: A Case Study of the Indian IT Industry" published in the journal *Journal of International Management*, outsourcing can increase the profitability of Indian IT companies, although the advantages of outsourcing are not always realized.

Overall, there has been conflicting data on how outsourcing affects profitability. While some studies have found that outsourcing can result in sizable increases in profitability, others have found that these gains are not always realized. The type of activity being outsourced, the outsourcing provider's location, and the degree of integration between the organization and the outsourcing provider are just a few of the variables that might affect how outsourcing really affects profitability.

### **3.1 Relationship between outsourcing strategies and organizational performance**

Depending on the objective, multiple metrics can be used to measure organizational performance. The output of the organization is organizational performance, regardless of the metrics employed. Strategic measures, financial measures, and quality measures are all essential elements of any outsourced performance evaluation system, according to Kotabe et al. (1998). Malhorta, Carney, and Goldstein (1997, 1999) used additional market performance metrics like cycle time, customer happiness, and productivity to assess the efficacy of outsourcing strategies.

In this context, organizational performance is understood to be the output of the organization as measured by profitability. Cost-saving measures, a focus on the core business (thereby boosting efficiency), a decrease in the amount spent on fixed assets (cost restructuring), and a tax reduction are used to determine profitability.

One's competitive edge can be increased by outsourcing one's company procedures (Dominguez, 2006). This is because outsourcing lowers operational expenses (Yalokwu, 2006; Dominguez, 2006; Kroes, J.R., and S. Ghosh, 2010). With certain commercial objectives in mind, organizations may decide to outsource. According to Isaksson and Lantz (2015), the objective can be to increase financial performance. Most of the time, these businesses are aware that outsourcing companies may present them with a cost-effective working option thanks to advanced technology and economies of scale. Organizational performance is improved when costs are kept to a minimum and economic goals are met (Leavy, 2004).

When a company attempts to reduce hazards entirely on its own, it may find it challenging and is typically in danger of overspending. A few scenarios can be avoided through outsourcing, which is advantageous for businesses (Sev, 2006). For instance, companies that carry out all of their business operations may have to spend a lot of money upgrading outdated technology (Dominguez, 2006). Organizations will not even notice the squeeze, though, if that business function is outsourced. According to Frayer, Scannell, and Thomas (2000), businesses are increasingly considering outsourcing strategies as a way to cut costs, improve quality, and strengthen a company's overall competitive position. To increase their efficacy and efficiency, companies can do this by focusing all of their resources on profitable tasks (Frayer et al. 2000). Cost reduction has been attributed to outsourcing strategy implementation success (Gupta and Zheuder, 1994; Greer et al., 2007).

A corporation must also be aware of the advantages and drawbacks of outsourcing (Yalokwu, 2006; Sev, 2006). The usage of outsourcing agreements is growing, and the unexpected complexity that goes along with it, particularly in developing nations, underscores the need to look further into how to employ this strategy effectively (Sev, 2006). Despite evidence of outsourcing at the small and medium-sized levels, there aren't many empirical studies that back it up (Isaksson & Lantz, 2015). This is important to notice.

Organizational performance and outsourcing strategies have a complex and complicated relationship. The impact of outsourcing will differ based on a variety of factors, including the type of activity being

outsourced, the location of the outsourcing provider, and the degree of integration between the organization and the outsourcing provider. There is no universally applicable solution.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter explains the approaches the researcher will use to gain information on the research problem and includes the research design, study population, sample size, sampling design and procedure, data collection methods, and measurement of variables. the procedure of data collection, data processing, analysis, and presentation, and anticipated problems to the study.

#### **3.1 Research design**

This study used a case study research design involving quantitative methods. The quantitative approach was used to quantify incidences to describe current conditions and to investigate the relationships between outsourcing strategies and organizational performance using information gained from the questionnaires. The qualitative approach was used to explain the events and describe findings using interviews and documentary analysis. All this enabled the researcher to gain in-depth information that will be used to find solutions for the research questions of the study.

#### **3.2 Study Population and Sample**

The study population will include staff of the Uganda Revenue Authority, Nakawa. The total population will include 58 staff from various departments of the organization.

### 3.3 Sample Size

The sample size will consist of 30 respondents as shown in Table 1.

**Table 1: Sample size**

Category of staff	Population size	Sample size
Managers	2	2
Low-level staff	28	28
<b>Total</b>	<b>38</b>	<b>30</b>

**Source: Company Records (2010)**

### 3.4 Sample Design and Procedure

A purposive sampling technique was used to select the managers. A random sampling technique was used to select low-level staff to participate in the study.

### 3.5 Data Source and Type

The study used both primary and secondary data. Primary data was collected from the field using questionnaires and secondary data was collected from available published records such as textbooks, journals, magazines, manuals, and the Internet.

### **3.6 Data collection methods**

Data was collected using a questionnaire method and document analysis.

#### **3.6.1 Questionnaire**

Self-administered questionnaires covering all the aspects of the study variables and accompanied by a five-point Likert scale response continuum, that is 5 = strongly agree,

4 = agree, 3 = undecided, 2 = disagree and 1= strongly disagree, will be used for this study to collect data from low-level staff.

### **3.6.2 Document Analysis**

The study will also review existing information materials related to the study problem and variables in the form of reports, journals, websites, and databases to gain information on the topic.

### **3.7 The procedure of data collection**

A letter of authorization from Uganda Christian University was provided as a request for permission to conduct the study. A cover letter accompanied the questionnaires explaining the purpose of the study and the questionnaires were distributed directly to the respondents in their respective areas for filling and will be collected 1 week following its dispatch and filling. The data will be edited and decisions made on whether to use it or not and how.

### **3.8 Data Processing, Analysis and Presentation**

Two types of analyses will be conducted and there are quantitative and qualitative analyses. The following subsections explain the analyses in detail.

### **3.8.1 Quantitative Analysis**

Quantitative data will be collected, edited, and coded using the Statistical Package for the Social Sciences (SPSS). Two types of analyses will be computed. The first will include descriptive statistics (frequencies and percentages) and the second will include inferential statistics (correlations). The frequencies and percentages will be used to determine the

respondents' views on each of the study variables. Pearson's correlation will be used to test for significant relationships between the variables.

### **3.9 Limitations to the Study**

- i. These included financial problems in terms of photocopying, secretarial services, and transport costs.
- ii. The timeframe in which the research report was required to produce was overdue.
- iii. The researcher is most likely to find a problem because of a lack of experience.

## CHAPTER FOUR

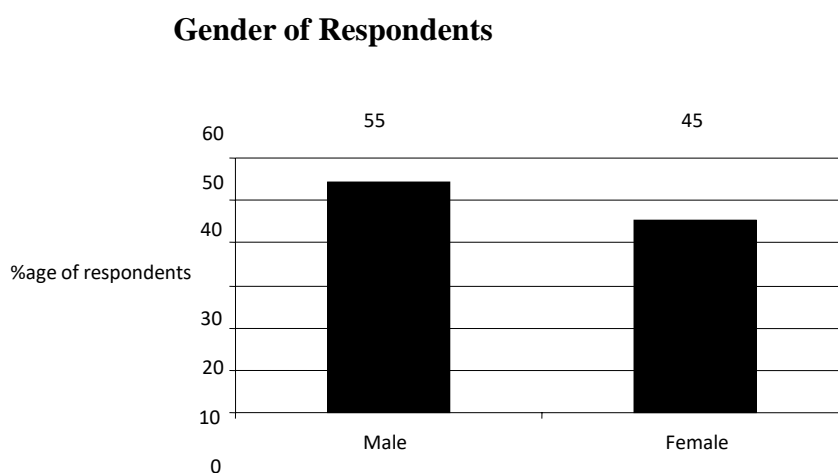
### PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

#### 4.0 Introduction

This chapter presents, analyzes, and interprets the results. It is divided into four sections. The first section presents, analyzes, and interprets the results of the background information. The second section presents, analyzes, and interprets the results of the effect of outsourcing on cost efficiency. The third section presents, analyzes, and interprets the results of the effect of outsourcing on productivity. The fourth section presents, analyzes, and interprets the results of the effect of outsourcing on profitability

#### 4.1 Background Information

Respondents were asked about their gender, age, level of education, and tenure with their organization. Findings are presented in Figures 1 to 4 followed by an analysis and interpretation.

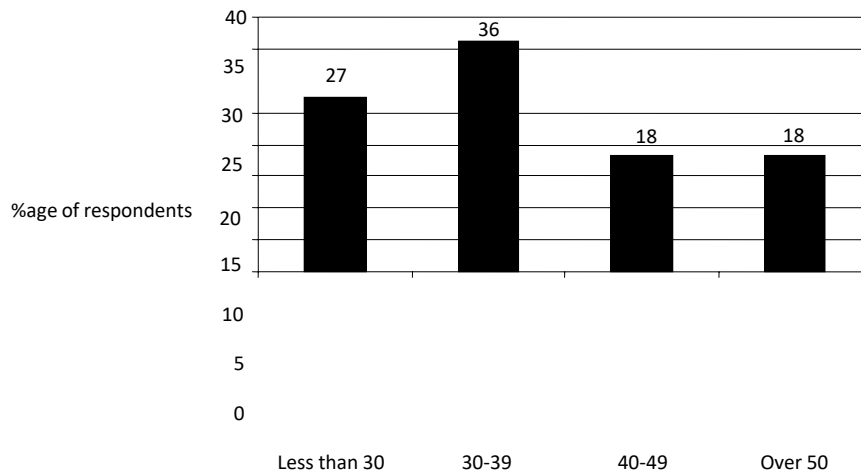


**Source: Field**

**Figure 1: Gender of respondents**

Findings in Figure 1 show that most respondents (55%) were male compared to the female respondents (45%). This implies that there are more staff members at the Uganda Revenue Authority compared to the female staff members.

### Age Range of Respondents

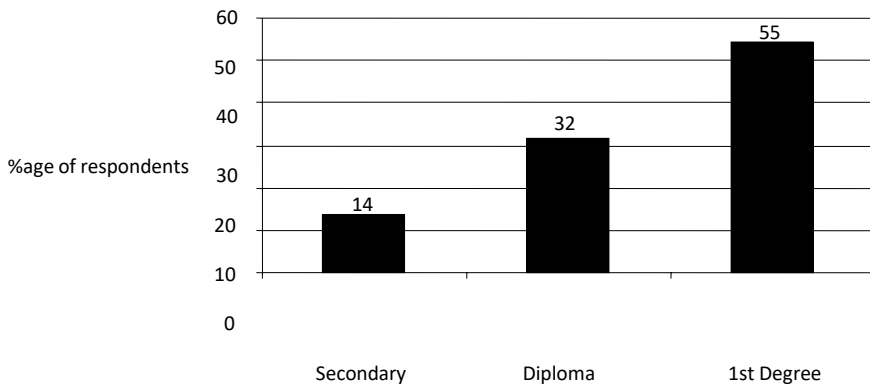


**Source: Field**

**Figure 2: Age range of respondents**

Findings in Figure 2 show that a large proportion of respondents (36%) were in the age range of 30-39 years compared to the respondents in the age range of less than 30 years (27%), 40-49 years and over 50 years (18%), respectively. This implies that there is a large proportion of staff members at Uganda Revenue Authority are in the age range of 30-39 years.

### Level of Education of Respondents



Source: Field

Figure 3: Level of education of respondents

Findings in Figure 3 show that a large proportion of respondents (55%) had a 1<sup>st</sup> degree level of education compared to the respondents with a diploma level of education (32%) and with a secondary level of education (14%), respectively. This implies that there is a large proportion of staff members at Uganda Revenue Authority are in the age range of 30-39 years.

### Tenure with the Organization

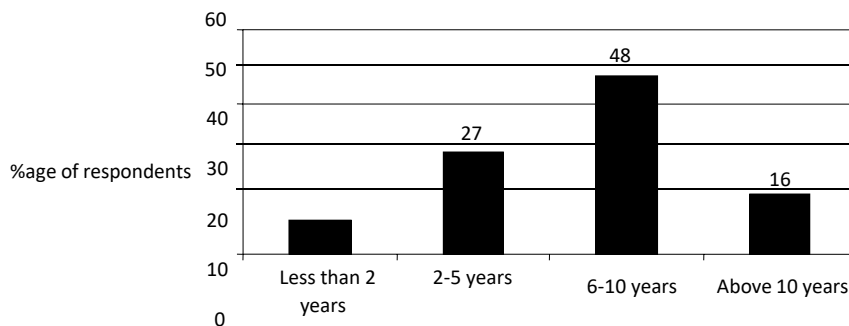


Figure 4: Tenure with Uganda Revenue Authority

Findings in Figure 4 show that a large proportion of respondents (48%) had served the Uganda Revenue Authority for a period of 6-10 years compared to the respondents who had served for 2-5 years (27%), above 10 years (16%) and less than 2 years (9%), respectively. This implies that there is a large proportion of staff members at the Uganda Revenue Authority are in the age range of 6-10 years.

#### **4.2 Effect of Outsourcing on Cost Efficiency**

Five statements about the effect of outsourcing on cost efficiency were presented to respondents at the Uganda Revenue Authority. They were requested to respond to the statement using a five Likert scale from “Strongly disagree to “Strongly agree”. Findings are presented in Table 2 followed by an analysis and interpretation.

**Table 2: Findings about the effect of outsourcing on cost efficiency**

Statements	Strongly disagree	Disagree	Not sure	Agree	Strongly agree	Total
1. Outsourcing has led to cost reduction in this organization	3 (7%)	5 (11%)	4 (9%)	23 (53%)	9 (20%)	44 (100%)
2. Outsourcing has enabled This organization to hire people to do their work more cheaper	7 (16%)	6 (14%)	9 (20%)	16 (36%)	6 (14%)	44 (100%)
3. Outsourcing has enabled this organization to economize on production cost	4 (9%)	6 (14%)	5 (11%)	13 (30%)	16 (36%)	44 (100%)
4. Outsourcing has enabled This organization to spend less	6 (14%)	10 (23%)	7 (16%)	20 (45%)	1 (2%)	44 (100%)
5. Outsourcing has helped This organization is to be more efficiency	2 (5%)	7 (16%)	9 (20%)	10 (23%)	16 (36%)	44 (100%)

**Source: Field**

To analyze the results in Table 2, respondents who strongly disagreed and those who disagreed were computed to one category of respondents who opposed the statements, and respondents who strongly agreed and those who agreed were computed to one category of respondents who concurred with the statements. Thus, three proportions of respondents were compared and included respondents who "opposed the statements", "we're not sure with the statements" and "concurred with the statements". The same procedure was adopted in analyzing the results in Tables 3 and 4.

Thus, from Table 2, findings show that few respondents (18%) opposed the statement that outsourcing has led to cost reduction in this organization compared to those who concurred (73%) while only 9% were not sure. This implies that in most cases, outsourcing has led to cost reduction at the Uganda Revenue Authority.

Fewer respondents (30%) opposed the statement that outsourcing has enabled this organization to hire people to do its work more cheaply compared to those who concurred (50%) while 20% were not sure. This implies that in most cases, outsourcing has enabled the Uganda Revenue Authority to hire people to do its work cheaply.

Fewer respondents (23%) opposed the statement that outsourcing has enabled this organization to economize on production costs compared to those who concurred (66%) while only 11% were not sure. This implies that in most cases, outsourcing has enabled the Uganda Revenue Authority to economize on production costs.

Fewer respondents (37%) opposed the statement that outsourcing has enabled this organization to spend less compared to those who concurred (47%) while 16% were not sure. This implies that outsourcing has enabled the Uganda Revenue Authority to spend less.

Fewer respondents (21%) opposed the statement that outsourcing has helped this organization to be more efficient compared to those who concurred (59%) while 20% were not sure. This implies that outsourcing has helped the Uganda Revenue Authority to be more efficient.

Thus, the following deduction is made in this study based on the above analysis and interpretation. The findings show that outsourcing at the Uganda Revenue Authority has positively contributed to cost efficiency.

### 4.3 Effect of Outsourcing on Productivity

Five statements about the effect of outsourcing on productivity were presented to respondents at the Uganda Revenue Authority. They were requested to respond to the statement using a five Likert scale from “Strongly disagree to “Strongly agree”. Findings are presented in Table 2 followed by an analysis and interpretation.

**Table 3: Findings about the effect of outsourcing on productivity**

Statements	Strongly disagree	Disagree	Not sure	Agree	Strongly agree	Total
1. Outsourcing has helped this organization to increase productivity	4 (9%)	6 (14%)	3 (7%)	22 (50%)	9 (20%)	44 (100%)
2. Performance per employee in this organization has increased due to outsourcing	1 (2%)	8 (18%)	2 (5%)	20 (45%)	13 (30%)	44 (100%)
3. Outsourcing has helped this organization to improve capacity	1 (2%)	8 (18%)	4 (9%)	27 (62%)	4 (9%)	44 (100%)
4. Outsourcing has helped this organization to improve the quality of its products/services	4 (9%)	18 (41%)	9 (20%)	11 (25%)	2 (5%)	44 (100%)
5. Outsourcing has helped this organization help employees set their priorities more clearly	3 (7%)	16 (36%)	4 (9%)	18 (41%)	3 (7%)	44 (100%)

From Table 3, findings show that fewer respondents (23%) opposed the statement that outsourcing has helped this organization to increase its productivity compared to those who concurred (70%) while only 7% were not sure. This implies that in most cases, outsourcing has helped to increase productivity at the Uganda Revenue Authority.

Fewer respondents (20%) opposed the statement that performance per employee in this organization has increased due to outsourcing compared to those who concurred (75%) while only 5% were not sure. This implies that in most cases, performance per employee has increased due to outsourcing at the Uganda Revenue Authority

Fewer respondents (20%) opposed the statement that outsourcing has helped this organization to improve capacity compared to those who concurred (71%) while only 9% were not sure. This implies that in most cases, outsourcing has helped to improve capacity at the Uganda Revenue Authority.

More respondents (50%) opposed the statement that outsourcing has helped this organization to improve the quality of its products/services compared to those who concurred (30%) while 20% were not sure. This implies that in most cases, outsourcing has not helped to improve the quality of products/services at Uganda Revenue Authority.

Fewer respondents (43%) opposed the statement that outsourcing has helped this organization help employees set their priorities more clearly compared to those who concurred (48%) while only 9% were not sure. This implies that outsourcing has helped some employees at the Uganda Revenue Authority set their priorities more clearly.

Thus, the following deduction is made in this study based on the above analysis and interpretation. The findings show that outsourcing at the Uganda Revenue Authority has somehow positively contributed to improved productivity.

#### 4.4 Effect of Outsourcing on Profitability

Five statements about the effect of outsourcing on profitability were presented to respondents at the Uganda Revenue Authority. They were requested to respond to the statement using a five Likert scale from “Strongly disagree to “Strongly agree”. Findings are presented in Table 4 followed by an analysis and interpretation.

**Table 4: Findings about the effect of outsourcing on profitability**

Statements	Strongly disagree	Disagree	Not sure	Agree	Strongly agree	Total
1. Outsourcing has helped this organization to increase the value of its products/services	4 (9%)	10 (23%)	3 (7%)	18 (41%)	9 (20%)	44 (100%)
2. Outsourcing has helped this organization to increase its profits	5 (11%)	7 (16%)	3 (7%)	18 (41%)	11 (25%)	44 (100%)
3. Outsourcing has helped this organization to expand into other markets	5 (11%)	9 (20%)	6 (14%)	21 (48%)	3 (7%)	44 (100%)
4. Outsourcing has helped this organization to become more competitive in the market	1 (2%)	13 (30%)	9 (20%)	19 (43%)	2 (5%)	44 (100%)
5. Outsourcing has helped this organization to increase its sales	2 (5%)	16 (36%)	3 (7%)	19 (43%)	4 (9%)	44 (100%)

From Table 4, findings show that fewer respondents (32%) opposed the statement that outsourcing has helped this organization to increase the value of its products/services compared to those who concurred (61%) while only 7% were not sure. This implies that outsourcing has helped to increase the value of its products/services at the Uganda Revenue Authority.

Fewer respondents (27%) opposed the statement that outsourcing has helped this organization to increase its profits compared to those who concurred (66%) while only 7% were not sure. This implies that outsourcing has helped to increase profits at the Uganda Revenue Authority.

Fewer respondents (31%) opposed the statement that outsourcing has helped this organization to expand into other markets compared to those who concurred (55%) while 14% were not sure. This implies that in most cases, outsourcing has helped this organization to expand into other markets.

Fewer respondents (32%) opposed the statement that outsourcing has helped this organization to become more competitive in the market compared to those who concurred (48%) while 43% were not sure. This implies that sometimes, outsourcing has helped this organization to become more competitive in the market at Uganda Revenue Authority.

Fewer respondents (36%) opposed the statement that outsourcing has helped this organization to increase its sales compared to those who concurred (52%) while only 7% were not sure. This implies that in most cases, outsourcing has helped to increase on volume of sales at the Uganda Revenue Authority.

Thus, the following deduction is made in this study based on the above analysis and interpretation. The findings show that outsourcing at the Uganda Revenue Authority has positively contributed to organizational performance.

## **CHAPTER FIVE**

### **FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter presents the findings, conclusions, and recommendations. It is divided into three sections. The first section presents the findings. The second section presents the conclusions. The third section presents the recommendations.

#### **5.1 Findings**

##### **5.1.1 Effect of Outsourcing on Cost Efficiency**

The findings revealed that outsourcing at the Uganda Revenue Authority positively contributed to cost efficiency. This was because outsourcing led to cost reduction at Uganda Revenue Authority, it has enabled Uganda Revenue Authority to hire people to do its work cheaply, enabled Uganda Revenue Authority to economize on production costs, outsourcing has also enabled Uganda Revenue Authority to spend less and it has helped Uganda Revenue Authority to be more efficient on service delivery to its customers.

The study findings support some authors and argue that the main motivation for outsourcing is found to be cost reduction (Altinkemer et al. 1994, Gilley & Rasheed 2000). This is because paying for outsourcing generally costs less than maintaining equivalent services in-house. The findings of the study concur with some academicians that successful implementation of an outsourcing strategy has been credited with helping to cut costs (Bowersox 1990; Gupta and Zeheuder 1994; Greer, Youngblood and Gray 1999). Findings agree with Abraham and Taylor (1996) that outsourcing may provide a viable strategy if firms aim to save on labor costs. Findings support Abraham and Taylor

(1996) emphasized that outsourcing can be used to economize on production costs, in particular labor cost by substituting in-house production with the buying-in of components. The study findings support Barthelemy and Adsit (2003) that firms should consider outsourcing when it is believed that certain support functions can be completed faster, cheaply, or better by an outside organization.

### **5.1.2 Effect of Outsourcing on Productivity**

The study established that outsourcing at the Uganda Revenue Authority somehow positively contributed to improved productivity. This was because, outsourcing helped to increase productivity at Uganda Revenue Authority, performance per employee increased due to outsourcing at Uganda Revenue Authority, outsourcing has helped to improve capacity at Uganda Revenue Authority, outsourcing has also helped to improve on quality of products/services at Uganda Revenue Authority, and outsourcing helped some employees at Uganda Revenue Authority set their priorities more clearly.

The findings of this study concur with academicians who emphasized that outsourcing is viewed as a means to provide enhanced productivity. The findings support Evans and Lindsay (2001) who asserted that the decision to outsource can lead to increased productivity for businesses. The findings of this study support academicians who established that successful implementation of an outsourcing strategy has been credited with helping to increase capacity, improve capacity, and improve quality (Lau and Hurley 1997; Kotabe, Murray, and Javalugi 1998).

### **5.1.3 Effect of Outsourcing on Profitability**

It was established that outsourcing at the Uganda Revenue Authority positively contributed to profitability. This was because outsourcing helped to increase the value of its products/services at Uganda Revenue Authority, outsourcing helped to increase its profits at Uganda Revenue Authority, outsourcing helped Telecommunication Limited to expand into other markets., outsourcing helped this organization to become more competitive in the market at Uganda Revenue Authority and outsourcing has helped to increase on its volume of sales at Uganda Revenue Authority.

The findings of the study support the view that a fundamental question to ask is whether outsourcing is value-enhancing and, in particular, whether the firm that undertakes outsourcing shows higher profitability as a result. The findings of this study are contrary to Kimura (2002) who did not find any evidence that outsourcing led to higher profits in Japanese manufacturing firms. They are also contrary to Kimura (2002) who did not find any evidence that subcontracting leads to higher profits. The findings of the study are similar to Lau and Hurley (1997) who found a significant relationship between outsourcing and profitability margin.

## **5.2 Conclusions**

The findings revealed that outsourcing at the Uganda Revenue Authority positively contributed to cost efficiency.

The study established that outsourcing at the Uganda Revenue Authority somehow positively contributed to improved productivity.

It was established that outsourcing at Uganda Revenue Authority positively contributed to profitability.

## **5.3 Recommendations**

- i. Outsourcing at the Uganda Revenue Authority should be improved to improve on cost efficiency.
- ii. Outsourcing at the Uganda Revenue Authority should be improved to improve productivity.
- iii. Outsourcing at the Uganda Revenue Authority should be improved to improve profitability

#### 5.4 Areas for further research

Given the findings and limitations of this study, and is recommended that these areas be further investigated :

- i. Expand the scope to include how outsourcing of services at the Uganda Revenue Authority has influenced the quality of service and clientsatisfaction.
- ii. Carry out a similar study in other service organizations to validate the findings.
- iii. To find out whether Outsourcing has helped the Uganda Revenue Authority to achieve its benefits. Should be improved to improve profitability.

## REFERENCES

- Abraham, K. G. & Taylor, S. K. (1996). Firms' Use of Outside Contractors: Theory and Evidence. *Journal of Labor Economics*, Vol. 14, pp. 394-424.
- Al-Shalabi, A., Omar, M. & Rundquist, J. (2007). *Outsourcing and Organizing of NPD: A survey of Malaysian Industry*, Paper presented at the 14th EIASM Product Development Management Conference in Oporto, Portugal, 10-12 June 2007.
- Altinkemer, Chaturvedi, et al. (1994). *Information Systems Outsourcing: Issues and Evidence*.
- Barthelemy, J. & Adsit, D. (2003), The seven deadly sins of outsourcing, *Academy of Management Executive*, Vol. 17 No.2.
- Bin, J. (2004) Research on outsourcing results: current literature and future opportunities *DePaul University, Chicago, Illinois, USA*
- DeVaro, J., & Fidan A. K., (2006), An Empirical Analysis of Risk, Incentives.
- Bolton, P. & Whinston, M. D. (1993). Incomplete contracts, vertical integration, and supply assurance. *Review of Economic Studies*, Vol. 60, pp. 121-148.
- Chaffey, D. (2008). Efficiency and effectiveness definition & explanation. Retrieved on 12 September 2009 from <http://www.davechaffey.com/Business-Information-Management/Efficiency-and-effectiveness->
- Coase, R. (1937). The nature of the firm. *Economica*, Vol. 4, pp. 386-405.
- Elmuti, D. (2003). The Perceived Impact of Outsourcing on Organizational Performance. *American Journal of Business*, Vol. 18 No. 2.
- Gilley, K. M. & Rasheed, A. (2000). Making more by doing less: An analysis of outsourcing and its effects on firm performance. *Journal of Management*, 26(4), 763-790.
- Grossman, G. M. & Helpman, E. (2002). Integration versus Outsourcing in Industry Equilibrium.

*Quarterly Journal of Economics*, Vol. 117, pp.85-120.

Holger, G. & Aoife, H. (2004). *Does Outsourcing Increase Profitability?* Discussion Paper No. 1372. Bonn: IZA.

Houseman, S. (2006). *Outsourcing, Offshoring, and Productivity Measurement in U.S. Manufacturing*. Upjohn Institute Staff Working Paper No. 06-130.

Kimura, F. (2002). Subcontracting and the performance of small and medium firms in Japan. *Small Business Economics*, Vol. 18, pp. 163-175.

Malhotra, Y. (1995). *IS productivity and outsourcing policy: A conceptual framework and empirical analysis*. *Proceedings of Inaugural America's Conference on Information Systems* (Managerial Papers). Pittsburgh, PA: Association for Information Systems.

Mallard C. (2006). Uganda Moves More And More Toward Outsourcing. Washington. Retrieved on 25 September 2009 from <http://www.voanews.com/english/archive/2006-05/2006-05-09-voa30.cfm?moddate=2006-05-09>.

O'Connor, P. J., (2001). Outsourcing: It Deserves a Look, *The Office*, 14-16.

Ono, Y. & Stango, V. (2005). Outsourcing, firm size, and product complexity: Evidence from credit unions. *Economic Perspectives*. Federal Reserve Bank of Chicago

Quinn, J. B. (2000). Outsourcing innovation - the new engine of growth, *Sloan Management Review*, 41(4):13-28.

Rundquist, J. (2006) World Class or Good Enough: The Choice of Partner when Outsourcing New Product Development in medium-sized firms, *International Journal of Innovation and Technology Management* (under consideration).

Rundquist, J. (2007). *Outsourcing of New Product Development - A Decision Framework*.

Luleå University of Technology, Department of Business Administration and  
Social Sciences, Division of Industrial Management.



# UGANDA CHRISTIAN UNIVERSITY

A Centre of Excellence in the Heart of Africa

SCHOOL OF BUSINESS

1<sup>st</sup> Aug 2023

TO WHOM IT MAY CONCERN

Name: KABAGAMBE MATTHEW Reg. No. J21B12/301

A bachelor's student who is seeking permission from your office to collect data for his/her dissertation titled

“ EFFECTS OF OUTSOURCING STRATEGIES ON  
ORGANIZATIONAL PERFORMANCE ”

We shall be grateful if you could render assistance to him/her in collecting the necessary data for his/her dissertation

The Uganda Christian University School of Business thanks you in advance

Mukisa Simon Peter  
Research coordinator